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IN THE UNITED STATES PATENT AND TRADEMARK OFFICE
BEFORE THE TRADEMARK TRIAL AND APPEAL BOARD

Proceeding	91222920
Party	Defendant Dropship LLC DBA Tool USA
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TABLE OF CONTENTS

	Page
I. TABLE OF AUTHORITIES.....	3
II. DESCRIPTION OF THE RECORD.....	4
III. INTRODUCTION	7
IV. STATEMENT OF THE ISSUE.....	7
V. STATEMENT OF THE FACTS.....	7
VI. LEGAL STANDARD.....	7
VII. ARGUMENT.....	9
A. Proprietary Rights and Acquired Distinctiveness.....	10
B. Opposer’s Failure to Provide Sufficient Evidence of Acquired Distinctiveness.....	12
VIII. CONCLUSION.....	13

I. TABLE OF AUTHORITIES

CASES

Bass Pro Trademarks, LLC v. Sportsman's Warehouse, Inc., 89 USPQ2d 1844 (TTAB 2008)9

Cold War Museum, Inc. v. Cold War Air Museum, Inc., 586 F.3d 1352, 92 USPQ2d 1626 (Fed. Cir. 2009)9

Cunningham v. Laser Golf Corp., 222 F.3d 943 (Fed. Cir. 2000)8

Herbko Int'l, Inc. v. Kappa Books, Inc., 308 F.3d 1156, 64 USPQ2d 1375 (Fed. Cir. 2002)10

In re Boston Beer Co. L.P., 198 F.3d 1370, 53 USPQ2d 1056 (Fed. Cir. 1999)10

In re E.I. Du Pont de Nemours & Co., 476 F.2d 1357; 177 USPQ 563 (CCPA 1973)12

In re La. Fish Fry Prods., Ltd., 797 F.3d 1332, 116 USPQ2d 1262 (Fed. Cir. 2015)10

In re U.S. Cargo, Inc., 49 USPQ2d 1702 (TTAB 1998)9,10

Mattel, Inc. v. Azrak-Hamway Int'l, Inc., 724 F.2d 357, 221 USPQ 302 (2d Cir. 1983)10

Nextel Commc'ns, Inc. v. Motorola, Inc., 91 USPQ2d 1393 (TTAB 2009)11

Otto Roth & Co., Inc. v. Universal Foods Corp., 640 F.2d 1317, 209 USPQ 40 (CCPA 1981) ..10

Perma Ceram Enterprises Inc. v. Preco Indus., Ltd., 23 USPQ2d 1134 (TTAB 1992)9

SMS, Inc. v. Byn-Mar, Inc., 228 USPQ 219 (TTAB 1985)9

T.A.B. Systems v. Pactel Teletrac, 77 F.3d 1372, 37 USPQ.2d 1879 (Fed. Cir. 1996)12

Towers v. Advent Software Inc., 913 F.2d 942, 16 USPQ2d 1039 (Fed. Cir. 1990)10

STATUTES

15 U.S.C. § 10527

TRADEMARK MANUAL OF EXAMINING PROCEDURE

T.M.E.P. § 1212.06(b)10,11

II. DESCRIPTION OF THE RECORD

Applicant has made the following evidence of record through the May 1, 2017 submission of Notice of Reliance on Official Records, Notice of Reliance on Applicant's Discovery, and Testimony Declaration of Ram Baheti including:

A. A true and correct copy of the record of the United States Patent and Trademark Office ("USPTO") for the U.S. Trademark Registration No. 2,011,200 ('200) printed from the USPTO's Trademark Status and Document Retrieval database "DOCUMENTS" section on April 24, 2017, ("ANR Exhibit A").

B. A true and correct copy of the record of the United States Patent and Trademark Office ("USPTO") for the U.S. Trademark Principal Registration No. 2,041,542 ('542) printed from the USPTO's Trademark Status and Document Retrieval database "DOCUMENTS" section on April 24, 2017, ("ANR Exhibit B").

C. A true and correct copy of the application file of the United States Patent and Trademark Office ("USPTO") for the U.S. Trademark Application Serial No. 86426730 printed from the USPTO's Trademark Status and Document Retrieval database "DOCUMENTS" section on April 25, 2017, ("ANR Exhibit C").

D. A true and correct copy of an excerpt from the application file of the United States Patent and Trademark Office ("USPTO") for the U.S. Trademark Application Serial No. 86426730 printed from the USPTO's Trademark Status and Document Retrieval database "DOCUMENTS" section on April 27, 2017, ("ANR Exhibit D").

E. A true and correct copy of Applicant's packing slip with the typographical error, as well as the email correspondence between Applicant and Opposer served by Opposer during the testimony period in this proceeding, ("ANR Exhibit E").

F. April 30, 2017, Testimony Declaration of Ram Baheti (“Baheti Decl.”).

Opposer has made the following evidence of record including:

1. March 31, 2017, Opposer’s Notice of Reliance including:

- a. A copy of Applicant’s U.S. Trademark Application with U.S. Serial No. 86/377838 (“ONR Ex. A”).
- b. A copy of Opposer’s U.S. Trademark Registration 2,011,200 (“ONR Ex. B”).
- c. A copy of Opposer’s U.S. Trademark Registration 2,041,542 (“ONR Ex. C”).
- d. A copy of Opposer’s U.S. Trademark Application with U.S. Serial No. 86/426730 (“ONR Ex. D”).
- e. Applicant’s Responses to Opposer’s Interrogatory Nos. 3, 11, 12, and 21 (“ONR Ex. E”).
- f. A copy of a webpage on Applicant’s internet website located at www.toolsusa.com accessed and obtained on 30 March 2017 (“ONR Ex. F”).
- g. A copy of a webpage on Applicant’s internet website located at <http://toolusa.com/tzO1-91012.html> accessed and obtained on 30 March 2017 (“ONR Ex. G”).
- h. A copy of a webpage on Applicant’s internet website located at [http://toolusa.com/construction-safety Igloves/industrial-chemical.html](http://toolusa.com/construction-safety/Igloves/industrial-chemical.html) accessed and obtained on 30 March 2017 (“ONR Ex. H”).

i. A copy of a webpage on Applicant's internet website located at <http://toolusa.com/catalogsearch/result/?cat=&q=sander> accessed and obtained on 30 March 2017 ("ONR Ex. I").

j. A copy of a webpage on Applicant's internet website located at <http://toolusa.com/hand-tools/hammers.html> accessed and obtained on 30 March 2017 ("ONR Ex. J").

k. A copy of a webpage on Opposer's internet website located at <https://www.toolsusa.com/dent-pulling-systems/> accessed and obtained on 30 March 2017 ("ONR Ex. K").

l. A copy of a webpage on Opposer's internet website located at <https://www.toolsusa.com/gloves/> accessed and obtained on 30 March 2017 ("ONR Ex. L").

m. A copy of a webpage on Opposer's internet website located at <https://www.toolsusa.com/air-and-electric-sanders/> accessed and obtained on 30 March 2017 ("ONR Ex. M").

n. A copy of a webpage on Opposer's internet website located at <https://www.toolsusa.com/auto-body-hammers/> accessed and obtained on 30 March 2017 ("ONR Ex. N").

o. Notice of Opposition, dated 23 July 2015 ("ONR Ex. O").

p. Answer to Notice of Opposition, dated 01 September 2015 ("ONR Ex. P").

II. 31 March 2017, Testimony Declaration of Michael Kestler including Exhibits 1-16 ("Kestler Decl.").

III. INTRODUCTION

Opposer introduced evidence of advertising expenditures during its testimony period. As a matter of law, Opposer has actually failed to introduce sufficient evidence of acquired distinctiveness supporting its substantive § 2(d) claim. Therefore, Applicant respectfully requests that the Board overrule this Opposition.

IV. STATEMENT OF THE ISSUE

Whether Opposer has met its burden of proving, by a preponderance of the evidence, that its existing registrations have proprietary rights and acquired distinctiveness in this proceeding within the meaning of Section 2(d) of the Lanham Act, 15 U.S.C. § 1052(d).

V. STATEMENT OF THE FACTS

On August 26, 2014, Applicant filed U.S. Trademark Application Serial No. 86/377,838 with the USPTO on the Principal Register for the TOOL USA.COM trademark, using TEAS Plus. *See* ONR Exhibit A. The description of goods was later amended to “manually operated hand tools, namely, hammers, trowels, sanding wire wool, drill accessories, namely, bits for hand drills” in International Class 8. *Id.* The trademark is shown below.



Applicant's d/b/a domain name (www.toolusa.com) has a creation date of September 23, 1999. (Baheti Decl.).

Since as early as 2002, Applicant has utilized the domain name in connection with its business. In the early stages of its business, Applicant's website was used in the retail services of a limited set of hardware goods to its customers. *Id.* Over the next several years, Applicant's inventory expanded and diversified while the core of the business sales centered on the retail of hand tools. *Id.*

Beginning in 2008 and from that date forward, Applicant has consistently labelled its hand tools inventory with TOOL USA.COM. *Id.*

Applicant and its employees have never received an inquiry or contact from any person or entity seeking the goods or services of Opposer or requesting any goods from Applicant of the type and nature provided by Opposer in its business operations. *Id.*

Since Applicant does not, and will not, sell directly to auto body shops, it is unlikely for automotive industry professionals to accidentally or mistakenly purchase Applicant's product instead of Opposer's services for the retail of third-party, nationally branded products. *Id.*

Procedurally, in this proceeding, an event that occurred before the testimony and trial periods of the parties was the Board's denial of Opposer's motion for summary judgment on at least the grounds of likelihood of confusion.

VI. LEGAL STANDARD

In a trademark opposition proceeding asserting likelihood of confusion under § 2(d), the opposer bears the burden of proving its claim of likelihood of confusion by a preponderance of the evidence. *Cunningham v. Laser Golf Corp.*, 222 F.3d 943, 951 (Fed. Cir. 2000).

VII. ARGUMENT

In denying Opposer's motion for summary judgment earlier in this proceed, the Board noted that the evidence in the record indicates that the literal elements in each of the marks at issue are merely descriptive. Dckt #21; page 11, lines 9-10. Opposer's pleaded registration for the typed mark TOOLS USA is registered on the Supplemental Register. *Id.* at lines 11-15; citing *See Perma Ceram Enterprises Inc. v. Preco Indus., Ltd.*, 23 USPQ2d 1134, 1137 n.11 (TTAB 1992) (mark on the Supplemental Register constitutes an implied admission that the term is descriptive, at least at the time of registration). In addition, Opposer disclaimed the exclusive right to use the term "TOOLS USA" in its registration on the Principal Register for the '542 mark and Applicant has disclaimed the terms "TOOL" and "USA.COM" in the subject application. *Id.* at lines 16-21; citing *See Bass Pro Trademarks, LLC v. Sportsman's Warehouse, Inc.*, 89 USPQ2d 1844, 1851 (TTAB 2008) (disclaimer in application may be considered an admission that the disclaimed term is merely descriptive); *SMS, Inc. v. Byn-Mar, Inc.*, 228 USPQ 219, 220 (TTAB 1985). Further, Opposer's pending application for the standard character mark TOOLS USA includes a claim of acquired distinctiveness for the entire mark and a disclaimer of the term "TOOLS." *Id.* page 11, lines 21-22 through page 12, lines 1-4; citing *See Cold War Museum, Inc. v. Cold War Air Museum, Inc.*, 586 F.3d 1352, 92 USPQ2d 1626, 1629 (Fed. Cir. 2009) ("[A]n applicant's reliance on Section 2(f) during prosecution presumes that the mark is descriptive."). Finally, Opposer's webpage indicates that the wording "TOOLS USA" in Opposer's asserted common law mark is descriptive/geographically descriptive of the services provided, namely, online sales of tools and equipment in U.S. commerce. *Id.* page 12, lines 4-9 citing *See, e.g., In re U.S. Cargo, Inc.*, 49

USPQ2d 1702 (TTAB 1998) (U.S. CARGO primarily geographically descriptive of towable trailers carrying cargo and vehicles).

A. Proprietary Rights and Acquired Distinctiveness

In order to successfully oppose registration of a mark under Section 2(d) of the Act, “the opposer must prove he has proprietary rights in the term he relies upon to demonstrate likelihood of confusion as to source” *Otto Roth & Co., Inc. v. Universal Foods Corp.*, 640 F.2d 1317, 209 USPQ 40, 43 (CCPA 1981); see also, *Herbko Int’l, Inc. v. Kappa Books, Inc.*, 308 F.3d 1156, 64 USPQ2d 1375, 1378 (Fed. Cir. 2002); *Towers v. Advent Software Inc.*, 913 F.2d 942, 16 USPQ2d 1039, 1042 (Fed. Cir. 1990). Here, however, opposer has failed to provide evidence sufficient to carry the burden under the *Otto Roth* doctrine.

Large-scale expenditures in promoting and advertising goods and services under a particular mark are significant to indicate the extent to which a mark has been used. TMEP § 1212.06(b). However, proof of an expensive and successful advertising campaign is not in itself enough to prove secondary meaning. *Mattel, Inc. v. Azrak-Hamway Int’l, Inc.*, 724 F.2d 357, 361 n.2, 221 USPQ 302, 305 n.2 (2d Cir. 1983). See *In re La. Fish Fry Prods., Ltd.*, 797 F.3d 1332, 116 USPQ2d 1262 (Fed. Cir. 2015) (finding evidence of sales and advertising expenditures insufficient to establish acquired distinctiveness of FISH FRY PRODUCTS where evidence involved uses of LOUISIANA FISH FRY PRODUCTS); *In re Boston Beer Co. L.P.*, 198 F.3d 1370, 53 USPQ2d 1056 (Fed. Cir. 1999) (finding claim based on annual sales under the mark of approximately eighty-five million dollars, and annual advertising expenditures in excess of ten million dollars – two million of which were spent on promotions and promotional items which included the phrase THE BEST BEER IN AMERICA – insufficient to establish distinctiveness, in view of the highly descriptive nature of the proposed mark).

In the instant case, Opposer alleges expending “a considerable amount of resources on advertising the TOOLS USA Brand:

- a. Since 2002, Standard Tools has spent approximately \$3,500,000 on advertising expenses related solely to the TOOLS USA branded catalogs.
- b. Since 2003, Standard Tools has spent approximately \$2,400,000 on advertising expenses related solely to the TOOLS USA Website.”

(Kestler Decl.).

The ultimate test in determining whether a designation has acquired distinctiveness is the [opposer’s] success, rather than its efforts, in educating the public to associate the proposed mark with a single source. TMEP § 1212.06(b). Here, Opposer has failed to provide evidence that corroborates that its TOOLS USA Brand marks were used in advertisements in such a way that the marks would be recognized by the consuming public as a source indicator. *Nextel Commc’ns, Inc. v. Motorola, Inc.*, 91 USPQ2d 1393, 1408 (TTAB 2009) (sustaining opposition on the ground that sound mark had not acquired distinctiveness in part because applicant failed to provide evidence corroborating that the mark was used in advertisements in such a way that it would be recognized as a source identifier for cellular telephones).

Moreover, the \$3,500,000 figure alleged in the Kestler Decl. does not seem realistic based on the figures provided in the Opposer’s Response to the Office Action in the suspended U.S. Trademark Application Serial No. 86426730. (ANR Exhibit C). The expenses reported are for the years between 2007 and 2014, and add up to \$257,704. (ANR Exhibit C). This means Opposer would have had to spend about \$3,250,000 in expenses between 2002 and 2007 or between 2014 to the present in order to make up the difference alleged by Mr. Kestler.

Additionally, expenses for search engine optimization, keyword services, lead generation services, and targeted email marketing campaigns in amounts of approximately \$2,400,00 as alleged by Mr. Kestler, are not sufficient to establish distinctiveness, in this case.

Accordingly, Opposer has failed to meet its burden of establishing acquired distinctiveness for the TOOLS USA Marks.

B. In Light of the Opposer's Failure to Provide Sufficient Evidence of Acquired Distinctiveness, Applicant's TOOL USA.COM Mark Is Sufficiently Dissimilar From Opposer's TOOLS USA Brand Marks.

To the extent that such a finding is necessary an examination of the factors set forth in *In re E.I. Du Pont de Nemours & Co.*, 476 F.2d 1357; 177 USPQ 563 (CCPA 1973) reveals that the parties' marks are dissimilar.

In support of the dissimilarity between the marks, evidence from Opposer shows that the Opposer's services offered on its website are specifically directed to auto body repair, including retail sale of "auto body hammers" *inter alia* under the category of "body shop tools." Further, Opposer's registrations for equipment catalogs and its application for online retail store services are specifically limited to use by vehicle repair shops and body shops.

With respect to the allegations of actual confusion, even if it can be deemed actual confusion, there is nothing in the record to indicate whether these emails constitute more than a negligible portion of the relevant market, *cf. T.A.B. Systems v. Pactel Teletrac*, 77 F.3d 1372, 37 USPQ.2d 1879 (Fed. Cir. 1996) (evidence, including that involving "seven potential customers" was "legally insufficient" to support opposer's claim).

VIII. CONCLUSION

For all the foregoing reasons, Applicant respectfully requests that the Board deny Opposer's opposition.

Dated: September 13, 2017

Respectfully submitted,

/s/ Curt Edmondson
J. Curtis Edmondson